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DCI/IC 73-1340

28 November 1973

MEMORANDUM FOR THE RECORD

SUBJECT: Preparation for IRAC Working Group on Information

25X1A 1. The Information Working Group will meet on Friday, 30 November. In preparation for this meeting, [redacted] and I met this morning with [redacted]

[redacted] I gave a brief status report of the Working Group, summarized the drafting work underway, and indicated my interest in identifying options and getting guidance.

25X1A 2. [redacted] provided guidance to keep future options open while recognizing the need to start up CIRIS 74. Specifically, he suggested that we concentrate on the next CIRIS call, making every effort to bring [redacted] aboard, while avoiding commitments to the longer range development of the community management information system until more of the new key figures [redacted] and others) can weigh in. 25X 25X

25X1A 3. I assume that if CIRIS can be made more useful to program review, it will receive greater support from the DCI, [redacted]. Therefore I intend to table at the Friday meeting a paper on CIRIS options. In order of feasibility, option one is to attempt to prepare CIRIS in time to assist program review next summer, which requires acceleration of the submissions. Option two is related also to program review and would add the requirement to target the program year data, either in detail or in more summary form. Option three is desirable but might take more time to implement; it would require augmentation of the information reported in the Reporting Entity Identification form so that the CCPC requirements on [redacted] are satisfied

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from this data base. I am checking to see if the CCPC requirement is still viable.

4. At the meeting, I will also table revised drafts of papers previously circulated which describe CIRIS use and problems, and user information needs.



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2

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5 November 1973

REPORT OF MEETING OF
INFORMATION WORKING GROUP

1. The Management Information Working Group of IRAC met at Headquarters at 1300 on 2 November. The two subjects reviewed were:

- a. CIA's internal information system.
- b. [] resource allocation model.

2. [] briefed the CIA system, the present version of which has been in use since 1970. [] stressed three points in his briefing:

a. The primacy of financial data in management information.

b. The need to maintain the integrity of data throughout the process. The CIA system is grounded in the concept of responsibility centers which are mutually exclusive, encompass the agency, and represent the lowest level at which management information is desired. The responsibility center may be a two-person unit or a contract administering activity, for instance. By integrity of data is meant that only the responsible person may change his responsibility center's data in the system. This insures that financial decisions are communicated down to the management levels at which they will be executed and that macro decisions must be translated into micro implementing actions in the system. (CIRIS has much the same concept with its reporting entities except that it has no system discipline and lacks the continuous updating feature.)

c. Each responsibility center submits two types of data - attributes and fiscal data. The attributes set up the functional and organizational parameters of the responsibility center which determine how the fiscal data will be sorted and aggregated.

-2-

3. One feature of the CIA system which Mr. Colby used extensively when he was Ex. -Dir. was the ability to compare actuals to plan on a monthly basis. The fact that variances are visible, even if top management does not jump deep in the organization to question them, has a very salutary effect on middle management according to Mr. Colby's views at that time.

STATINTL 4. Dr. [] briefed the group on the resource allocation model developed by his team (Systems Analysis Section - now defunct) when he was on the IC Staff. The essential features of this model are as follows:

a. A method was developed to translate DCID 1/2 type priorities into target relative values.

b. Substantive subjects were broken down into successive levels of detail until "observables" (facts capable of determination by a sensor) were obtained. A sampling technique limited the number of observables in the model to 500. The observables were assigned a relative value based on a. above.

c. A matrix was set up with the sensors arrayed against the observables. In each cell a curve was assessed which displayed the probability (as a function of cost) of the sensor getting the observable.

d. Certain assumptions concerning the ability of the sensor programs to expand and contract and the availability of funding were made.

e. An optimizing program was then run to allocate dollars to the sensors. A rather extensive program of reexamining the assumptions and sensitivity testing was conducted.

STATINTL 5. Dr. [] assessed the present credibility of his model in the community as low, but stated that this type of approach will become more necessary as fiscal constraints start forcing the community into decisions on what it will have to stop doing. He felt

-3-

that CIRIS data had been sufficient for his purposes, but emphasized strongly the need to develop benefit measures.

6. The next meeting of the group will be on Thursday, 8 November, when briefings will be given on DIA's developmental MIS and DOD's PPBS.



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